

**STATE OF CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY
GRAY DAVIS, GOVERNOR**

**CALIFORNIA DEPARTMENT
OF ALCOHOL AND DRUG PROGRAMS**

**REVISED
HIGHLIGHTS OF THE
BUDGET ACT
FISCAL YEAR 2001-02**

JULY 2001

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS
BUDGET ACT
FISCAL YEAR 2001-02
- HIGHLIGHTS -**

TOTAL BUDGET

The Department of Alcohol and Drug Programs' (ADP) proposed budget for Fiscal Year (FY) 2001-02 is \$640.5 million. Of this amount, \$608.2 million (95.0%) is for local governments and communities to provide treatment, recovery, and prevention services; and \$32.3 million (5.0%) is for state operations [Figure 1]. The total number of authorized positions for the Department is 355.7. This is an increase of 36.2 positions over the 319.5 in the FY 2000-01 Budget Act, with 27.2 positions dedicated to the implementation and administration of The Substance Abuse and Crime Prevention Act of 2000 (Act).

SUBSTANCE ABUSE AND CRIME PREVENTION ACT OF 2000

The Substance Abuse and Crime Prevention Act of 2000 (the Act) mandates that specified non-violent defendants, probationers, and parolees charged with simple drug possession or drug-use offenses be diverted from incarceration to licensed and/or certified community drug treatment programs. The Budget Act includes \$120 million for FY 2001-02 appropriated by the Act. Of the \$120.0 million, \$3.0 million has been identified for support costs and \$117.0 million for local assistance.

The Act has been in effect since July 1, 2001 and has had a significant impact on ADP, other state and local agencies, and the treatment and recovery provider community.

The impact to other state agencies is largely due to the Act's provisions that add language to the Penal Code superceding existing law regarding punishments for non-violent drug possession offenses. The provisions include:

- Mandatory probation for convicted non-violent drug offenders,
- Participation in drug treatment programs as a condition of probation,
- A similar system of diversion for persons on parole who commit non-violent drug possession offenses,
- Dismissal of indictment, with some exceptions, and
- Revocation of probation.

ADP, in collaboration with other concerned entities, is continuing to develop administrative and programmatic policies and procedures to evaluate and implement the Act.

FEDERAL FUNDS

The Substance Abuse Prevention and Treatment (SAPT) Block Grant award amount for Federal Fiscal Year (FFY) 2001 is \$235.2 million. The Safe and Drug-Free Schools and Communities (SDFSC) grant award for FFY 2001 is \$10.3 million.

The Federal Fund appropriation for the SAPT Block Grant is \$306.6 million for FY 2001-02; \$290.6 million is for Local Assistance, and \$16.1 million is for support of the Department's operations. With respect to the SDFSC grant, the Budget Act proposes \$11.1 million, of which \$9.4 million is Local Assistance, and \$1.7 million is for support.

DRUG COURTS

The Budget Act for FY 2001-02 includes \$14.75 million in funding for Drug Court Programs. This is a reduction of \$3.0 million from the initial \$17.75 million proposed in the Governor's Budget. The budget continues \$14.1 million for drug court treatment and \$0.65 million for administrative costs.

The Drug Court Partnership Executive Steering Committee (Committee) has recommended that the Department and Judicial Council adopt a policy deferring reduction implementation to the local level. This would allow counties to determine whether to take the reduction from the Drug Court Partnership grant, the Comprehensive Drug Court Implementation grant, or proportionately from both grants.

YOUTH PREVENTION AND TREATMENT SERVICES

The Budget Act for FY 2001-02 continues funding in the amount of \$7.416 million for the following:

- \$4.75 million in SAPT Block Grant to expand services to address California's youth substance abuse treatment needs (Chapter 866, Statutes of 1998 [AB1784]).
- \$2.666 million in SAPT Block Grant to the counties for youth treatment.

However, the budget has been reduced by the following:

- \$5.7 million in State General Fund (SGF) for discretionary funding for youth treatment services.

CALIFORNIA PERINATAL TREATMENT NETWORK (WOMEN AND CHILDREN RESIDENTIAL TREATMENT SERVICES)

The Budget Act for FY 2001-02 includes \$6.9 million SGF for the California Perinatal Treatment Network (CPTN). The amount includes an increase of \$822,000, which provides the full funding of SGF funds needed for the CPTN programs. These funds are used to fund existing residential perinatal treatment programs that were previously funded through grants from the federal Center for Substance Abuse Treatment (CSAT).

Chapter 108, Statutes of 2000, amended Section 11840.1 of the Health and Safety Code exempting counties from the 10% match requirement. This exemption only applies to state funding provided to replace the expiring federal grants and not to any subsequent program expansion.

ADULT TREATMENT SERVICES

The Budget Act for FY 2001-02 reflects a reduction \$7.7 million SGF in discretionary funding for expanding treatment for adults.

DRUG MEDI-CAL PROGRAM

The Drug Medi-Cal (DMC) program provides medically necessary substance abuse treatment services for eligible Medi-Cal beneficiaries. Services include outpatient drug free, outpatient methadone maintenance, day care habilitative, Naltrexone, and residential services for pregnant and parenting women.

Based upon DMC caseload estimates for FY 2001-02, developed by the Department's Office of Applied Research and Analysis, the Budget Act reflects \$54.3 million in DMC SGF funding and \$58.0 million in federal financial participation. This is an increase over the FY 2001-01 of \$9.6 million in DMC SGF funding and \$8.7 million in federal financial participation.

YOUTH DEVELOPMENT AND CRIME PREVENTION

The Budget Act of FY 2001-02 continues \$975,000 of SAPT Block Grant funds for the Youth Development and Crime Prevention Initiative established in FY 2000-01.

WELFARE REFORM -- CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS)

The Budget Act for FY 2001-02 includes, within the Department of Social Services' (DSS) budget, a total of \$55.2 million for the provision of treatment and recovery services to CalWORKS recipients for whom substance abuse is a barrier to employment. With this funding, the county welfare departments and the county alcohol

and drug agencies will continue their collaboration ensuring the availability of an effective system providing treatment for substance abuse. Substance abuse can limit or impair a participant's ability to make the transition from welfare to work, or retain employment over a long period of time.

CALWORKS MENTAL HEALTH AND SUBSTANCE ABUSE FOR INDIAN HEALTH CLINICS

The Budget Act includes \$2.8 million for the establishment of an Interagency Agreement between DSS and ADP to provide funding to support a CalWORKs program for Indian health clinics in California. Of this amount, \$0.2 million is for Support and \$2.6 million is for Local Assistance.

Clinicians in these programs will assess for both mental health and substance abuse and determine the proper services to be provided to Native American CalWORKs participants. In addition services will be made available to CalWORKs eligible participants who require the needed services to obtain or retain employment, or who wish to participate in county or Tribal Temporary Assistance for Needy Families welfare-to-work activities.

The clinician's responsibilities may include:

- Outreach and preliminary screening for CalWORKs eligibility;
- Screening of individuals for mental health and/or substance abuse issues;
- Transporting individuals to county welfare departments (CWD) to apply for CalWORKs and determine their service needs ;
- Transporting/accompanying individuals to the evaluation;
- Assisting the CWD and local alcohol and other drug agency in the development of individuals' welfare-to-work plans; and
- Providing individual and/or group treatment necessary for tribal members to become employed.

A Native American treatment program will be developed that will focus on the specific needs of the participants and provide culturally relevant and competent services.

FEDERAL MEDI-CAL ASSISTANCE PERCENTAGE

The Federal Medi-Cal Assistance Percentage, which is the percentage used to determine the federal share of the Medi-Cal program, has increased from 51.25% to 51.43% for FFY 2001 (which began on October 1, 2000). The increase in the federal

share results in a corresponding decrease in the SGF share of the Medi-Cal program from 48.75% to 48.57%. The percentages have not changed from the FY 2000-01 as the Department has not received percentage updates from the Department of Health Services. It is anticipated that this information will be provided to the Department by mid to late September.

**FEASIBILITY STUDY FOR THE ESTABLISHMENT OF AN ENTERPRISE DATABASE
AND UPDATE IN CALIFORNIA ALCOHOL AND DRUG DATA SYSTEM (CADDs)**

The Budget Act includes an augmentation of \$584,000 in SAPT Block grant funds for automation projects. Of this amount, \$300,000 is to prepare a Feasibility Study Report (FSR) for the development of an enterprise-wide consolidated relational database and \$284,000 is to update the CADDs.

The FSR will be prepared for the establishment of a database that will streamline systems in order to allow new requirements and policies to be implemented quickly and reliably and will improve the reliability of data by adopting common data structures and common storage and data security measures.

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS
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(\$S IN THOUSANDS)

FUNDING SOURCE	CATEGORY		TOTAL BUDGET	
	SUPPORT	LOCAL ASSISTANCE		
General Fund	\$5,091	\$118,159	\$123,250	19.2%
Non-Drug Medi-Cal-Regular	\$1,729	\$40,380	\$42,109	6.6%
Non-Drug Medi-Cal-Perinatal	\$880	\$25,957	\$26,837	4.2%
Drug Medi-Cal-Regular	\$2,426	\$49,068	\$51,494	8.0%
Drug Medi-Cal-Perinatal	\$56	\$2,754	\$2,810	0.4%
Substance Abuse Treatment Trust Fund (Proposition 36)	\$2,977	\$117,023	\$120,000	18.7%
Driving-Under-the-Influence Program Licensing Trust Fund	\$1,732	\$0	\$1,732	0.3%
Narcotic Treatment Program Licensing Trust Fund	\$1,091	\$0	\$1,091	0.2%
Sale of Tobacco to Minors Control Account	(\$2,000)	\$0	(\$2,000)	-0.3%
Audit Repayment Trust Fund	\$67	\$0	\$67	0.0%
Federal Trust Fund	\$19,339	\$304,679	\$324,018	50.6%
Substance Abuse Block Grant	\$16,052	\$290,557	\$306,609	47.9%
SDFSC	\$1,681	\$9,404	\$11,085	1.7%
Uniform Data Systems	\$317	\$0	\$317	0.0%
CSAT Grants	\$1,289	\$4,718	\$6,007	0.9%
<i>Criminal Justice Treatment Network</i>	\$23	\$1,133	\$1,156	0.2%
<i>Pregnant and Postpartum Women II</i>	\$120	\$2,005	\$2,125	0.3%
<i>Women and Their Children II</i>	\$95	\$1,580	\$1,675	0.2%
<i>Needs Assessment</i>	\$526	\$0	\$526	0.1%
<i>TOPPS II</i>	\$500	\$0	\$500	0.1%
<i>OTP Performance Assessment Grant</i>	\$25	\$0	\$25	0.0%
Resident Run Housing Revolving Fund	\$0	\$39	\$39	0.0%
Reimbursements	\$3,939	\$68,348	\$72,287	11.3%
DSS: Substance Abuse Svcs. for Indian Health Clinics	\$181	\$2,624	\$2,805	0.4%
Drug Medi-Cal-Regular	\$3,201	\$51,822	\$55,023	8.6%
Drug Medi-Cal-Perinatal	\$65	\$2,907	\$2,973	0.5%
CDC: Parolee Services Network	\$491	\$10,995	\$11,486	1.8%
TOTALS	\$32,236	\$608,249	\$640,485	100.0%

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BUDGET BY CATEGORY

**\$640.5 MILLION
(\$ IN MILLIONS)**

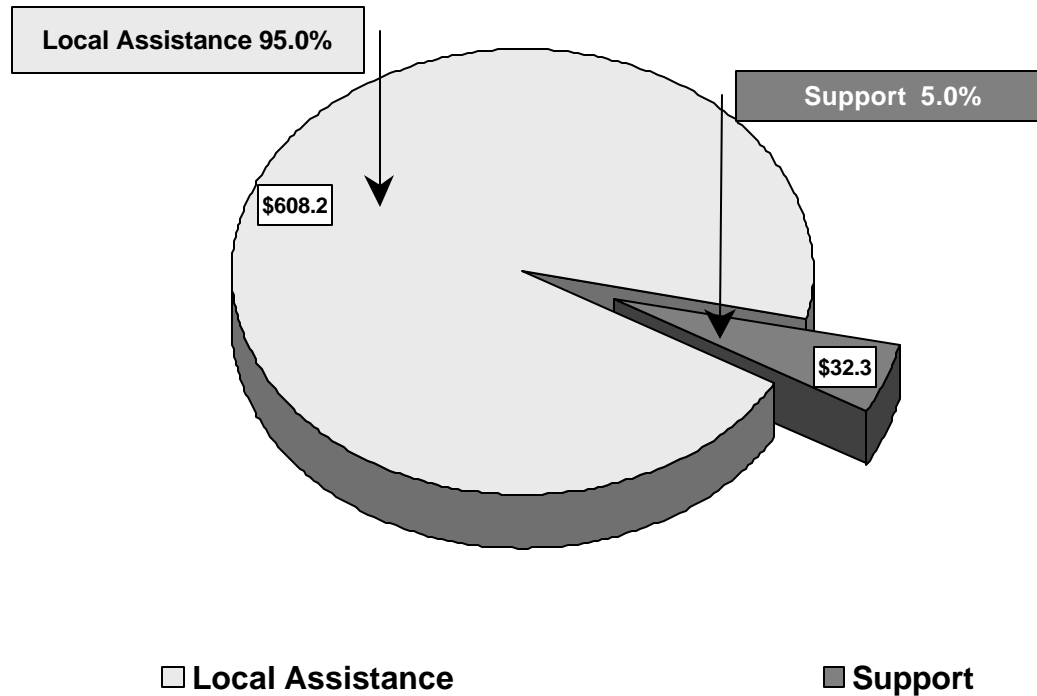
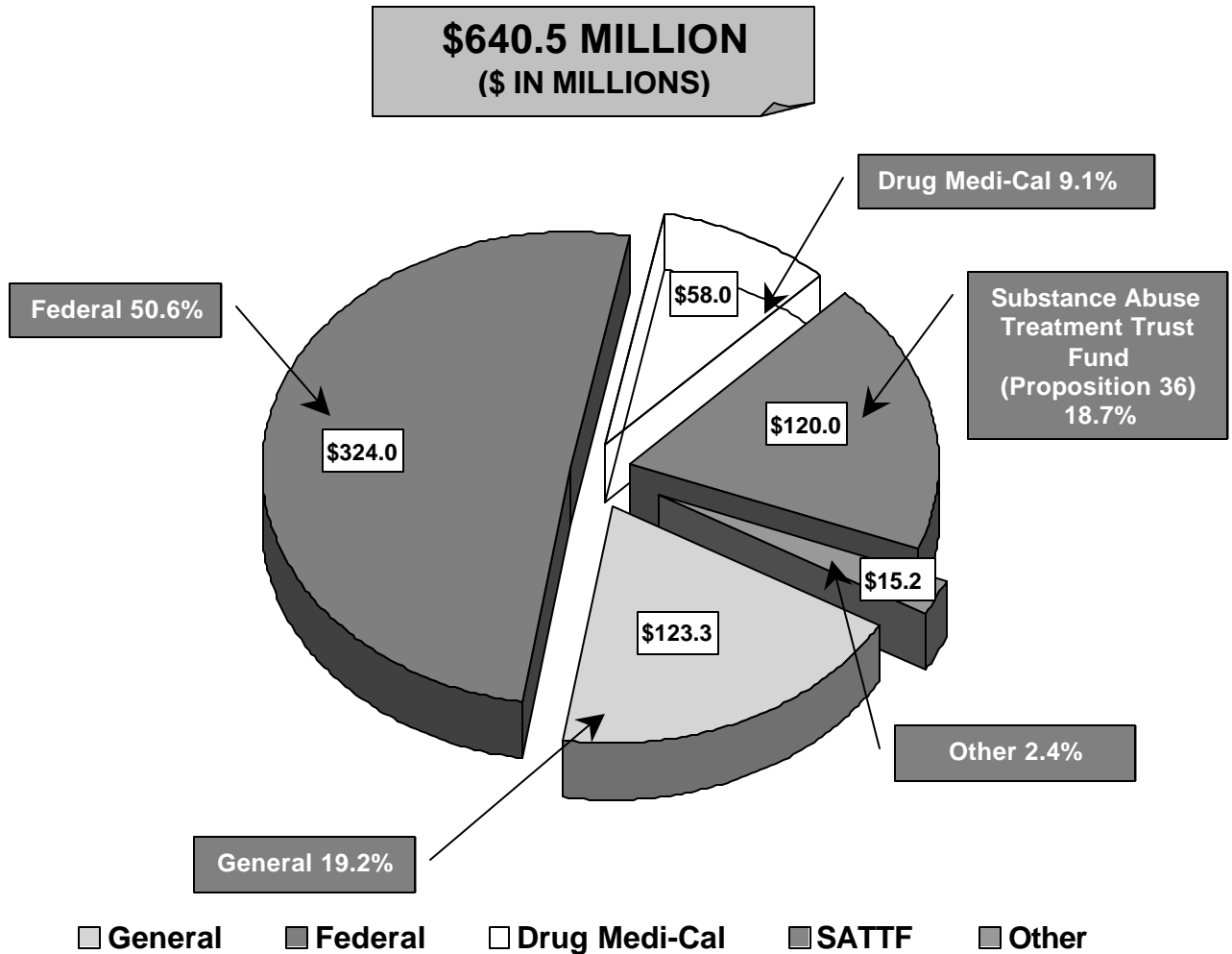


FIGURE 1

**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS
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BUDGET BY FUND SOURCE



* "OTHER" INCLUDES: DRIVING-UNDER-THE-INFLUENCE TRUST FUND, NARCOTIC TREATMENT PROGRAM LICENSING TRUST FUND, AUDIT REPAYMENT TRUST FUND, RESIDENT-RUN HOUSING REVOLVING FUND, THE SALE OF TOBACCO TO MINORS ACCOUNT, THE DEPARTMENT OF CORRECTIONS REIMBURSEMENT CONTRACT, AND THE DEPARTMENT OF SOCIAL SERVICES REIMBURSEMENT CONTRACT.

FIGURE 2